

MANDENI MUNICIPALITY (KZN 291)



ADJUSTMENT BUDGET 2013/2014

**2 Kingfisher Road
Mandeni
4490**

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PART 1 ADJUSTMENT BUDGET

Mayor's Report

The Mayor, Cllr SB Zulu, presented this item, elaborating as attached:

Madam Speaker, last week I tabled before this august house a draft Annual Report and Mid-term Performance Report where I gave the analysis of the mid-term state of affairs for the period 1st July- 31st December 2013. The last Special Council agreed with me and the executive committee that the budget must be adjusted to reflect the changes that have taken place during the first half of the year. The Mayor and the Executive Committee have given thorough assessment and made quite a number of recommendations to ensure that we improve the state of affairs in as far as the provision of services to the people is concerned.

We are part of the process to move South Africa forward and this means that we must work very hard to improve the lives of ordinary citizens in all areas where we live. We must ensure that the budget becomes an important tool available to us to move Mandeni Municipality forward. Part of this entails the following issue;

- Launch of the Programme Steering Committee as part of the resolutions taken in our last Infrastructure Development Summit.
- Launch of Umngeni Water Purification Plant. This is a project of over R1 Billion and we are very excited about as it will create more 200 job opportunities and offer exciting opportunities to many of Mandeni entrepreneurs and SMMEs.
- We are going to visit all schools together with Deputy Mayor, Speaker and all councilors to ensure that we motivate teachers, learners and parents towards provision of quality education.
- We are also increasing our contacts with communities such that I have directed management to ensure that we have a programme that will take us to people at least once a week.
- Launch of all completed projects and turning of the sod for all those projects that are about to start.

It is important that I must indicate that as we approach elections we are going to have less and shorter meetings in order to give parties more time to be with communities canvassing. Some meetings will be called at odd hours so we must all be ready for that.

Honourable Speaker, I have the honour to table this adjustments budget of this political administration to the Mandeni municipal council. Today on 30 January 2014 I'm once again tabling an adjustments budget before you and members of council for consideration and approval.

This adjustments budget is prepared following a resolution taken by council on 24 January 2014 on my tabling of the mid-year budget and financial performance assessment report, under item C127 and council resolved that; I quote -

(1) "That the Mayor must present the adjustment budget by 31 January."

Honourable Speaker the adjustment budget process is regulated in terms of Section 28 of the Municipal Finance Management Act, 56 of 2003. This Act empowers the municipality to adjust the approved budget when there are indications based on the past performance and the next six months' projections that the municipality will not meet its revenue collections targets or the municipality will exceed its revenue collection targets.

In our instance the indications are that we will need to increase our revenue for various reasons. However the key ones are the following;

(a) The provincial revised medium term allocation for the Small towns' rehabilitation and the construction of the informal market stalls.

(b) The additional grants allocated to the municipality from the national fiscus in accordance with the national budget review tabled by the Minister of Finance in Parliament in October 2013 on the implementation of the neighborhood development program.

Members of council should take note that once an adjustments budget proposal has been prepared, the MFMA requires the Executive Mayor to table the adjustments budget to council for consideration and approval not later than 28 February of each financial year that is why I am tabling the adjustments budget proposal to the council today.

Honourable Speaker, due to the reasons advanced on the report on the council agenda I therefore table the following proposed adjustments budget which details are found on pages 5 to 54 of the council report on the agenda, under item C132.

The total original approved budget of R198,3 million as I have indicated on my opening remarks, is proposed to be adjusted upwards by R14,1 million to R212,4 million. The adjustments of the budget will affect the following elements of the budget;

(a) The operating revenue budget will be adjusted upwards by 1,24 percent from R128,7 million to R130,3 million which is an upward adjustment of R1,7 million;

(b) Capital expenditure budget will be adjusted upwards by 21 percent from R63,2 million to R77, million which is an upward adjustment of R14,1 million.

The main programs and projects that are affected by the upward adjustment of the budget are;

(a) the Housing reserve fund that is now earmarked for the housing related programs such as land audit, registration of title deeds and review housing sector plan to the value of R1,67 million;

(b) The re-allocation of the withdrawn roll over through the Minister of finance medium term review on NDPG to the value of R8,36 million .

(c) Our gratitude goes to COGTA and the Department of Economic development for the grant allocation to the value of R10,8 million for small towns rehabilitation and a further increase R2.3 million on informal market stalls.


In presenting this adjustment budget we were guided by the Minister of Finance in his Medium Term Budget Policy Statement in October 2013. Critical issues were raised as far as cost cutting measures. We fully subscribed to these measures. We will closely monitor the implementation of the budget for the remainder of the financial year. Some of these measures include but not limited to the use of consultants, travelling costs and overtime. We will also monitor the spending improvement on underspent programs. We do this mindful of the report tabled by Auditor General and our commitments and the action plan prepared.

Honourable Speaker, we are confident that the implementation of the proposed strategies during the remainder of this financial year and next medium-term will go a long way on improving performance of the municipality and ensuring that service delivery is rendered in a sustainable manner to our communities as well as ensuring that the municipality becomes financially stable.

In conclusion, Honourable Speaker and Members of Council I therefore table the adjustments budget proposal for consideration and approval by the council and recommendations are found from pages 4 of the council report on the agenda.

Lastly I would like to extend my warmest words of appreciation to the administration team led by the Municipal Manager and the Executive Committee Members who have assisted me to put together the adjustments budget I am tabling before council today.

I therefore put the budget before Council for its consideration and approval.



Mayor
Cllr: S.B. ZULU

Resolutions

It is resolved:

- That the Council adopts the Adjustment Budget for 2013/2014 in terms of Section 28(2) of the MFMA.
- **2013/2014 Adjustment Budget Resolution No: C132B**

Executive Summary

In terms Section 28(1) of the Municipal Finance Management Act, No. 56 of 2003, states that "A municipality may revise an approved annual budget through an adjustment budget"

A Mid-Year Budget Performance Report was tabled in Council on the 24th of January 2013. This report highlighted the financial and non-financial performance of the Municipality for the first half of the financial year. In this report certain recommendations had been made based on the financial performance of the Municipality.

These recommendations and additional trends that had been analysed have been taken into account when drafting this adjustments budget.

In addition, Section 23(3) of the MBRR requires that if a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the Mayor of the municipality must, at the next available Council meeting, but within 60 days of the approval of the relevant national or provincial Adjustments Budgets, table an adjustments Budgets referred to in Section 28(2)(b) of the MFMA in the municipal Council to appropriate these additional changes.

In terms of Section 72(3) of the MFMA further requires that the accounting officer must as part of the (mid-year) review

- (a) Make recommendations as to whether an adjustment budget is necessary*
- (b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.*

Guidelines and Assumptions

In adjusting the budget we are guided by the following:

- (a) The amendment gazette issued in December 2013 on grant allocations to be considered.
- (b) Expenditure made including unforeseen and unavoidable expenditure approved by the Executive Mayor in terms of section 28 of the MFMA

- (c) The cash flow situation and performance thereof in the first half of the financial year will play a critical role on the review of the budget.
- (d) Capital expenditure budget funded from external source will be adjusted upwards due to the gazetted grant increase.
- (e) Medium Term Budget Policy Statement 2013 Speech.

Priorities

After the Accounting Officer has assessed the performance of the municipality and has presented the report to the Mayor, the Mayor shall then review the report and propose the following adjustments in the budget.

Budget Adjustment

Summary of Adjustment Budget

R Thousands	Original budget (R'000)	Adjustment (R'000)	Adjusted (R'000)	Budget
Operating	134,981	-		134,981
Capital budget	63,288	14,190		77,477
Total Budget	198,269	14,190		212,458

Operating Budget

Total Operating budget there has been no movement as it still remains R134, 981million.

Capital Budget

Capital Budget has increased from R63, 288 million to R77, 477 million with an adjustment of R14, 190 million.

An adjustment in the capital budget is mainly through an adjusted provincial allocations and Amended Dora that was issued in December 2013.

Rollover on NDP Grant has been withdrawn by National Treasury since this was the second request for rollover. Hence **R7 468 000** is reduced from the capital budget

Reasons for reprioritization

3.5.1 Revenue

The municipality has identified that the appropriations on Housing Fund can be used for housing related projects. The balance in the fund is **R1, 670,000**.

The municipality also has received grant of **R10, 829,000** from COGTA as the gazette from Provincial Treasury.

Two programs that will be postponed:

Preparation for storm water master plan	(R750 000)
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Establishment of Borrow pits	(R500 000)
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In exchange for increase in counter funding on MIG projects	R1500 000
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Funding of I- Beach event through Informal market stall	R1200 000
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3.5.2 Operating Expenditure

Housing Fund will be spent on the following:

Registration of R293 title deeds	R550 000
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Review of housing sector plan	R350 000
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Land audit	R300 000
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R1 670 000

3.5.3 Capital Expenditure

Provincial Treasury grant adjustment as follows:

Small town rehabilitation (COGTA)	R 10 289 000
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Joint Project Funding (DEDT)	R 2 383 800
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Nyoni Craft Centre	R 31 000
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National Treasury as follows:

NDPG	R 8 364 000
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Total Grants Funds	R21 067 800
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Adjustment Budget Tables

KZN291 Mandeni - Table B1 Adjustments Budget Summary - 25 January 2014

Description	Budget Year 2013/14										Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H			
Financial Performance												
Property rates	25 764	-	-	-	-	-	-	-	25 764	27 026	28 431	
Service charges	18 606	-	-	-	-	-	-	-	18 606	19 512	20 533	
Investment revenue	2 000	-	-	-	-	-	-	-	2 000	2 068	2 207	
Transfers recognised - operational	80 781	-	-	-	-	-	-	-	80 781	97 234	126 509	
Other own revenue	1 566	-	-	-	-	-	-	-	1 566	856	900	
Total Revenue (excluding capital transfers and contributions)	128 716	-	-	-	-	-	-	-	128 716	146 731	178 580	
Employee costs	43 142	-	-	-	-	-	-	-	43 142	45 471	48 109	
Remuneration of councillors	9 021	-	-	-	-	-	-	-	9 021	9 509	10 080	
Depreciation & asset impairment	2 000	-	-	-	-	-	-	-	2 000	2 575	2 808	
Finance charges	-	-	-	-	-	-	-	-	-	-	-	
Materials and bulk purchases	24 050	-	-	-	-	-	-	-	24 050	25 222	26 540	
Transfers and grants	6 841	-	-	-	-	-	-	-	6 841	7 244	7 645	
Other expenditure	49 928	-	-	-	-	-	-	-	49 928	48 805	49 753	
Total Expenditure	134 981	-	-	-	-	-	-	-	134 981	138 933	144 916	
Surplus/(Deficit)	(6 265)	-	-	-	-	-	-	-	(6 265)	7 798	33 685	
Transfers recognised - capital	31 857	-	-	-	-	-	-	-	31 857	31 857	31 857	
Contributions recognised - capital & contributed	31 431	-	-	-	-	-	21 577	21 577	53 434	31 857	31 857	
Surplus/(Deficit) after capital transfers & contributions	57 022	-	-	-	-	-	(14 190)	(14 190)	17 241	34 795	38 083	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	57 022	-	-	-	-	-	7 387	7 387	64 409	74 450	103 605	
Capital expenditure & funds sources												
Capital expenditure	63 288	-	-	-	-	-	14 159	14 159	77 446	67 775	73 396	
Transfers recognised - capital	31 857	-	-	-	-	-	21 608	21 608	53 465	40 980	42 375	
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	
Borrowing	-	-	-	-	-	-	-	-	-	-	-	
Internally generated funds	31 431	-	-	-	-	-	(7 418)	(7 418)	24 012	34 795	27 553	
Total sources of capital funds	63 288	-	-	-	-	-	14 190	14 190	77 477	75 775	69 928	
Financial position												
Total current assets	83 500	-	-	-	-	-	-	-	83 500	-	-	
Total non current assets	318 549	-	-	-	-	-	-	-	318 549	-	-	
Total current liabilities	15 177	-	-	-	-	-	-	-	15 177	-	-	
Total non current liabilities	10 000	-	-	-	-	-	-	-	10 000	-	-	
Community wealth/Equity	376 872	-	-	-	-	-	-	-	376 872	-	-	
Cash flows												
Net cash from / (used) operating	62 044	-	-	-	-	-	-	-	62 044	-	-	
Net cash from / (used) investing	(68 889)	-	-	-	-	-	-	-	(68 889)	-	-	
Net cash from / (used) financing	-	-	-	-	-	-	-	-	-	-	-	
Cash/cash equivalents at the year end	66 524	-	-	-	-	-	-	-	66 524	-	-	
Cash backing/surplus reconciliation												
Cash and investments available	50 500	-	-	-	-	-	-	-	50 500	-	-	
Application of cash and investments	-	-	-	-	-	-	-	-	-	-	-	
Balance - surplus (shortfall)	66 524	-	-	-	-	-	-	-	66 524	-	-	
Asset Management												
Asset register summary (VDV)	318 476	-	-	-	-	-	-	-	318 476	-	-	
Depreciation & asset impairment	2 000	-	-	-	-	-	-	-	2 000	2 575	2 808	
Renewal of Existing Assets	24 190	-	-	-	-	-	-	-	24 190	25 136	34 383	
Repairs and Maintenance	21 300	-	-	-	-	-	946	946	22 246	12 552	13 205	
Free services												
Cost of Free Basic Services provided	1 070	-	-	-	-	-	-	-	1 070	-	-	
Revenue cost of free services provided	4 570	-	-	-	-	-	-	-	4 570	-	-	
Households below minimum service level												
Water:	-	-	-	-	-	-	-	-	-	-	-	
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-	
Energy:	16	-	-	-	-	-	-	-	16	-	-	
Refuse:	10	-	-	-	-	-	-	-	10	-	-	

KZN291 Mandeni - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 25 January 2014

Vote Description (Insert departmental structure etc)	Ref	Budget Year 2013/14										Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3	4	5	6	7	8	9	10			
R thousands													
Revenue by Vote	1												
Vote 1 - Executive and Council		6 478	-	-	-	-	-	-	-	6 478	7 790	8 113	
Vote 2 - Budget and Treasury		93 647	-	-	-	-	-	-	-	93 647	109 740	139 755	
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	
Vote 4 - Community and Social Services		1 667	-	-	-	-	-	-	-	1 667	1 745	1 823	
Vote 5 - Sport and Recreation		12	-	-	-	-	-	-	-	12	13	13	
Vote 6 - Public Safety		344	-	-	-	-	-	-	-	344	361	380	
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	
Vote 9 - Planning and Development		300	-	-	-	-	-	-	-	300	315	331	
Vote 10 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	
Vote 11 - Road transport		-	-	-	-	-	-	-	-	-	-	-	
Vote 12 - Waste Management		10 387	-	-	-	-	-	-	-	10 387	10 856	11 483	
Vote 13 - Electricity		15 880	-	-	-	-	-	-	-	15 880	15 872	16 697	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	
Total Revenue by Vote	2	128 716	-	-	-	-	-	-	-	128 716	146 731	178 580	
Expenditure by Vote	1												
Vote 1 - Executive and Council		23 434	-	-	-	-	-	-	-	23 434	24 549	26 015	
Vote 2 - Budget and Treasury		18 860	-	-	-	-	-	-	-	18 860	33 810	59 833	
Vote 3 - Corporate Services		11 824	-	-	-	-	-	-	-	11 824	12 434	13 119	
Vote 4 - Community and Social Services		9 449	-	-	-	-	-	-	-	9 449	9 932	10 476	
Vote 5 - Sport and Recreation		584	-	-	-	-	-	-	-	584	614	648	
Vote 6 - Public Safety		10 537	-	-	-	-	-	-	-	10 537	12 123	12 591	
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	
Vote 9 - Planning and Development		19 954	-	-	-	-	-	-	-	19 954	20 705	22 148	
Vote 10 - Environmental Protection		5 907	-	-	-	-	-	-	-	5 907	6 209	6 547	
Vote 11 - Road transport		9 341	-	-	-	-	-	-	-	9 341	9 177	9 359	
Vote 12 - Waste Management		11 919	-	-	-	-	-	-	-	11 919	11 840	11 719	
Vote 13 - Electricity		13 173	-	-	-	-	-	-	-	13 173	13 823	14 547	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure by Vote	2	134 981	-	-	-	-	-	-	-	134 981	154 914	186 052	
Surplus/ (Deficit) for the year	2	(6 265)	-	-	-	-	-	-	-	(6 265)	(8 183)	(7 472)	

KZN291 Mandeni - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 25 January 2014

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	25 314	-	-	-	-	-	-	-	25 314	26 554	27 935
Property rates - penalties & collection charges		450	-	-	-	-	-	-	-	450	472	497
Service charges - electricity revenue	2	12 556	-	-	-	-	-	-	-	12 556	13 171	13 856
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	6 050	-	-	-	-	-	-	-	6 050	6 347	6 677
Service charges - other		190	-	-	-	-	-	-	-	190	199	210
Rental of facilities and equipment		2 000	-	-	-	-	-	-	-	2 000	2 098	2 207
Interest earned - external investments		-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors		55	-	-	-	-	-	-	-	55	58	61
Dividends received		250	-	-	-	-	-	-	-	250	262	276
Fees		-	-	-	-	-	-	-	-	-	-	-
Licences and permits		80 781	-	-	-	-	-	-	-	80 781	97 234	126 509
Agency services		1 071	-	-	-	-	-	-	-	1 071	336	354
Transfers recognised - operating		-	-	-	-	-	-	-	-	-	-	-
Other revenue	2	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		128 716	-	-	-	-	-	-	-	128 716	146 731	178 580
Expenditure By Type												
Employee related costs		43 142	-	-	-	-	-	-	-	43 142	45 471	48 109
Remuneration of councillors		9 021	-	-	-	-	-	-	-	9 021	9 509	10 050
Debt impairment		2 842	-	-	-	-	-	-	-	2 842	-	-
Depreciation & asset impairment		2 000	-	-	-	-	-	-	-	2 000	2 675	2 808
Finance charges		-	-	-	-	-	-	-	-	-	-	-
Bulk purchases		10 084	-	-	-	-	-	-	-	10 084	10 578	11 128
Other materials		13 966	-	-	-	-	-	-	-	13 966	14 650	15 412
Contracted services		14 290	-	-	-	-	-	-	-	14 290	16 041	16 689
Transfers and grants		6 841	-	-	-	-	-	-	-	6 841	7 244	7 645
Other expenditure		32 786	-	-	-	-	-	-	-	32 786	32 785	33 064
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		134 981	-	-	-	-	-	-	-	134 981	138 933	144 916
Surplus/(Deficit)		(6 265)	-	-	-	-	-	-	-	(6 265)	7 798	33 665
Transfers recognised - capital		31 857	-	-	-	-	-	-	-	31 857	31 857	31 857
Contributions		31 431	-	-	-	-	-	21 577	21 577	53 434	34 795	38 083
Contributed assets		-	-	-	-	-	-	(21 608)	(21 608)	9 823	-	-
Surplus/(Deficit) before taxation		57 022	-	-	-	-	-	7 418	7 418	7 418	74 450	103 605
Taxation		-	-	-	-	-	-	7 387	7 387	64 409	74 450	103 605
Surplus/(Deficit) after taxation		57 022	-	-	-	-	-	7 387	7 387	64 409	74 450	103 605
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		57 022	-	-	-	-	-	7 387	7 387	64 409	74 450	103 605
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		57 022	-	-	-	-	-	7 387	7 387	64 409	74 450	103 605

KZN291 Mandeni - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 25 January 2014

Budget Year 2013/14												Budget Year +1 2014/15	Budget Year +2 2015/16
Description	Ref	Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted	
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget	
		5	6	7	8	9	10	11	12	13	14	15	
		A	A1	B	C	D	E	F	G	H	I	J	
R thousands													
Capital expenditure - Vote													
Multi-year expenditure to be adjusted													
Vote 1 - Executive and Council	2	129	-	-	-	-	-	-	-	129	-	-	
Vote 2 - Budget and Treasury		120	-	-	-	-	-	-	-	120	-	-	
Vote 3 - Corporate Services		500	-	-	-	-	-	-	-	500	-	-	
Vote 4 - Community and Social Services		1 000	-	-	-	-	-	-	-	1 000	4 800	4 150	
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	
Vote 9 - Planning and Development		5 612	-	-	-	-	-	-	-	5 612	17 170	-	
Vote 10 - Environmental Protection		440	-	-	-	-	-	-	-	440	1 435	-	
Vote 11 - Road transport		52 887	-	-	-	-	-	-	-	52 887	69 245	-	
Vote 12 - Waste Management		600	-	-	-	-	-	14 159	14 159	67 046	39 120	69 245	
Vote 13 - Electricity		2 000	-	-	-	-	-	-	-	600	1 000	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	2 000	4 250	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	
Capital multi-year expenditure sub-total	3	63 288	-	-	-	-	-	14 159	14 159	77 446	67 775	73 396	
Single-year expenditure to be adjusted													
Vote 1 - Executive and Council	2	-	-	-	-	-	-	-	-	-	-	-	
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-	-	
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	
Vote 10 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	
Vote 11 - Road transport		-	-	-	-	-	-	-	-	-	-	-	
Vote 12 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	
Vote 13 - Electricity		-	-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Vote		63 288	-	-	-	-	-	14 159	14 159	77 446	67 775	73 396	
Capital Expenditure - Standard													
Governance and administration		749	-	-	-	-	-	-	-	749	-	-	
Executive and council		129	-	-	-	-	-	-	-	129	-	-	
Budget and treasury office		120	-	-	-	-	-	-	-	120	-	-	
Corporate services		500	-	-	-	-	-	-	-	500	-	-	
Community and public safety		1 000	-	-	-	-	-	-	-	1 000	4 800	4 150	
Community and social services		1 000	-	-	-	-	-	-	-	1 000	4 800	4 150	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services		58 939	-	-	-	-	-	14 159	14 159	73 098	57 725	69 246	
Planning and development		5 612	-	-	-	-	-	-	-	5 612	17 170	-	
Road transport		52 887	-	-	-	-	-	-	-	52 887	69 245	-	
Environmental protection		440	-	-	-	-	-	14 159	14 159	67 046	39 120	69 245	
Trading services		2 600	-	-	-	-	-	-	-	440	1 435	-	
Electricity		2 000	-	-	-	-	-	-	-	2 600	5 250	-	
Water		-	-	-	-	-	-	-	-	2 000	4 250	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	
Waste management		600	-	-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	600	1 000	-	
Total Capital Expenditure - Standard	3	63 288	-	-	-	-	-	14 159	14 159	77 446	67 775	73 396	
Funded by:													
National Government		29 347	-	-	-	-	-	-	-	-	-	-	
Provincial Government		2 510	-	-	-	-	8 364	8 364	37 711	40 980	42 375	-	
District Municipality		-	-	-	-	-	13 244	13 244	15 754	-	-	-	
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	
Total Capital transfers recognised	4	31 857	-	-	-	-	21 608	21 608	53 465	40 980	42 375	-	
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	
Borrowing		-	-	-	-	-	-	-	-	-	-	-	
Internally generated funds		31 431	-	-	-	-	-	-	-	-	-	-	
Total Capital Funding		63 288	-	-	-	-	(7 415)	(7 415)	24 012	34 795	27 553	-	
							14 190	14 190	77 477	75 775	69 928	-	

KZN291 Mandeni - Table B6 Adjustments Budget Financial Position - 25 January 2014

Budget Year 2013/14													Budget Year +1 2014/15	Budget Year +2 2015/16
Description	Ref	Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget		
R thousands		A	A1	B	C	D	E	F	G	H				
ASSETS														
Current assets														
Cash		4 500												
Call investment deposits	1	46 000	-	-	-	-	-	-	-	4 500				
Consumer debtors	1	29 000	-	-	-	-	-	-	-	46 000	-	-		
Other debtors		4 000								29 000	-	-		
Current portion of long-term receivables										4 000				
Inventory										-				
Total current assets		83 500	-	-	-	-	-	-	-	83 500	-	-		
Non current assets														
Long-term receivables														
Investments														
Investment property		23 211												
Investment in Associate										23 211				
Property, plant and equipment	1	295 265	-	-	-	-	-	-	-					
Agricultural										295 265	-	-		
Biological														
Intangible		73												
Other non-current assets										73				
Total non current assets		318 549	-	-	-	-	-	-	-	318 549	-	-		
TOTAL ASSETS		402 049	-	-	-	-	-	-	-	402 049	-	-		
LIABILITIES														
Current liabilities														
Bank overdraft														
Borrowing														
Consumer deposits		1 220												
Trade and other payables		10 500								1 220				
Provisions		3 457								10 500				
Total current liabilities		15 177	-	-	-	-	-	-	-	3 457	-	-		
Non current liabilities														
Borrowing	1													
Provisions	1	10 000												
Total non current liabilities		10 000	-	-	-	-	-	-	-	10 000	-	-		
TOTAL LIABILITIES		25 177	-	-	-	-	-	-	-	25 177	-	-		
NET ASSETS	2	376 872	-	-	-	-	-	-	-	376 872	-	-		
COMMUNITY WEALTH/EQUITY														
Accumulated Surplus/(Deficit)		375 092												
Reserves		1 780								375 092				
TOTAL COMMUNITY WEALTH/EQUITY		376 872	-	-	-	-	-	-	-	1 780	-	-		

KZN291 Mandeni - Table B7 Adjustments Budget Cash Flows - 25 January 2014

Budget Year 2013/14													Budget Year +1 2014/15	Budget Year +2 2015/16
Description	Ref	Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 2	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget		
R thousands														
CASH FLOW FROM OPERATING ACTIVITIES														
Receipts														
Ratepayers and other		39 044												
Government - operating	1	88 000							-	39 044				
Government - capital	1	68 000							-	88 000				
Interest		2 000							-	68 000				
Dividends									-	2 000				
Payments														
Suppliers and employees		(135 000)							-					
Finance charges									-	(135 000)				
Transfers and Grants	1								-					
NET CASH FROM/(USED) OPERATING ACTIVITIES		62 044	-	-	-	-	-	-	-	62 044	-	-		
CASH FLOWS FROM INVESTING ACTIVITIES														
Receipts														
Proceeds on disposal of PPE														
Decrease (increase) in non-current debtors									-	-				
Decrease (increase) other non-current receivables									-	-				
Decrease (increase) in non-current investments									-	-				
Payments														
Capital assets		(68 889)							-	(68 889)				
NET CASH FROM/(USED) INVESTING ACTIVITIES		(68 889)	-	-	-	-	-	-	-	(68 889)	-	-		
CASH FLOWS FROM FINANCING ACTIVITIES														
Receipts														
Short term loans														
Borrowing long term/refinancing									-	-				
Increase (decrease) in consumer deposits									-	-				
Payments														
Repayment of borrowing									-	-				
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-	-		
NET INCREASE/ (DECREASE) IN CASH HELD														
Cash/cash equivalents at the year begin:	2	(6 845)	-	-	-	-	-	-	-	(6 845)	-	-		
Cash/cash equivalents at the year end:	2	73 369	-	-	-	-	-	-	-	73 369	-	-		
		66 524	-	-	-	-	-	-	-	66 524	-	-		

Budget Year 2013/14													Budget Year	Budget Year
Description	Ref	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	+1 2014/15	+2 2015/16
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H				
R thousands														
<u>Cash and investments available</u>														
Cash/cash equivalents at the year end	1	66 524	-	-	-	-	-	-	-	66 524	-	-	-	-
Other current investments > 90 days		(16 024)	-	-	-	-	-	-	-	(16 024)	-	-	-	-
Non current assets - investments	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		50 500	-	-	-	-	-	-	-	50 500	-	-	-	-
<u>Applications of cash and investments</u>														
Unspent conditional transfers		3 000	-	-	-	-	-	-	-	3 000	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		10 000	-	-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	-	-	-	-	-	-	-	-	10 000	-	-	-	-
Other provisions		3 457	-	-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	3 457	-	-	-	-
Reserves to be backed by cash/investments		1 780	-	-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		*****	-	-	-	-	-	-	-	1 780	-	-	-	-
Surplus(shortfall)		*****	-	-	-	-	-	-	-	*****	-	-	-	-

Description	Ref	Budget Year 2013/14									Budget Year #1 2014/15	Budget Year #2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	39 098	-	-	-	-	-	52 342	52 342	91 439	63 625	43 663
Infrastructure - Road transport		31 835	-	-	-	-	-	45 079	45 079	76 915	36 758	35 313
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		31 835	-	-	-	-	-	45 079	45 079	76 915	36 758	35 313
Community		3 322	-	-	-	-	-	3 322	3 322	6 943	4 722	3 100
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		3 941	-	-	-	-	-	3 941	3 941	7 881	22 145	5 250
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	24 190	-	-	-	-	-	946	946	25 136	12 400	34 383
Infrastructure - Road transport		17 500	-	-	-	-	-	946	946	18 446	-	33 633
Infrastructure - Electricity		2 000	-	-	-	-	-	-	-	2 000	4 000	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		19 500	-	-	-	-	-	946	946	20 446	4 000	33 933
Community		350	-	-	-	-	-	-	-	350	1 300	450
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		4 340	-	-	-	-	-	-	-	4 340	7 100	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	49 335	-	-	-	-	-	46 025	46 025	95 361	36 758	66 246
Infrastructure - Road transport		2 000	-	-	-	-	-	-	-	2 000	4 000	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		51 335	-	-	-	-	-	46 025	46 025	97 361	40 758	69 246
Community		3 672	-	-	-	-	-	3 322	3 322	6 993	6 022	3 550
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		8 221	-	-	-	-	-	3 941	3 941	12 221	29 245	5 250
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	2	63 288	-	-	-	-	-	53 287	53 287	116 575	76 025	78 646
ASSET REGISTER SUMMARY - PPE (WDV)												
Infrastructure - Road transport	5	234 989	-	-	-	-	-	-	-	234 989	-	-
Infrastructure - Electricity		2 000	-	-	-	-	-	-	-	2 000	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		236 989	-	-	-	-	-	-	-	236 989	-	-
Community		45 692	-	-	-	-	-	-	-	45 692	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		23 211	-	-	-	-	-	-	-	23 211	-	-
Other assets		12 584	-	-	-	-	-	-	-	12 584	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	318 476	-	-	-	-	-	-	-	318 476	-	-
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		2 000	-	-	-	-	-	-	-	2 000	2 575	2 808
Repairs and Maintenance by asset class	3	21 300	-	-	-	-	-	-	-	21 300	12 552	13 205
Infrastructure - Road transport		11 434	-	-	-	-	-	-	-	11 434	2 675	2 814
Infrastructure - Electricity		1 000	-	-	-	-	-	-	-	1 000	1 154	1 214
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		12 434	-	-	-	-	-	-	-	12 434	3 829	4 028
Community		3 280	-	-	-	-	-	-	-	3 280	3 950	4 155
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	5 586	-	-	-	-	-	-	-	5 586	4 774	5 022
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		23 300	-	-	-	-	-	-	-	23 300	15 227	16 013
% of capital exp on renewal of assets		39.2%	0.0%	-	-	-	-	-	-	21.6%	16.3%	44.1%
Renewal of existing assets as % of deprec		1209.5%	0.0%	-	-	-	-	-	-	1256.8%	463.5%	1224.4%
R&M as a % of PPE		6.7%	0.0%	-	-	-	-	-	-	6.7%	0.0%	0.0%
Renewal and R&M as a % of PPE		14.3%	0.0%	-	-	-	-	-	-	14.6%	0.0%	0.0%

Household service targets									
Water:									
Piped water inside dwelling	1								
Piped water inside yard (but not in dwelling)									
Using public tap (at least min. service level)	2								
Other water supply (at least min. service level)									
Minimum Service Level and Above sub-total									
Using public tap (< min. service level)	3								
Other water supply (< min. service level)	3,4								
No water supply									
Below Minimum Service Level sub-total									
Total number of households	5								
Sanitation/sewerage:									
Flush toilet (connected to sewerage)									
Flush toilet (with septic tank)									
Chemical toilet									
Pit toilet (ventilated)									
Other toilet provisions (> min. service level)									
Minimum Service Level and Above sub-total									
Bucket toilet									
Other toilet provisions (< min. service level)									
No toilet provisions									
Below Minimum Service Level sub-total									
Total number of households	5								
Energy:									
Electricity (at least min. service level)		1016						1 016	
Electricity - prepaid (> min. service level)									
Minimum Service Level and Above sub-total		1 016						1 016	
Electricity (< min. service level)									
Electricity - prepaid (< min. service level)		3674						3 674	
Other energy sources		12500						12 500	
Below Minimum Service Level sub-total		16 174						16 174	
Total number of households	5	17 190						17 190	
Refuse:									
Removed at least once a week (min. service)		7228						7 228	
Minimum Service Level and Above sub-total		7 228						7 228	
Removed less frequently than once a week									
Using communal refuse dump		4000						4 000	
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal		5962						5 962	
Below Minimum Service Level sub-total		9 962						9 962	
Total number of households	5	17 190						17 190	
Households receiving Free Basic Service									
Water (5 kilolitres per household per month)	15								
Sanitation (free minimum level service)									
Electricity/other energy (50kwh per household per month)		1275						1 275	
Refuse (removed at least once a week)		3674						3 674	
Cost of Free Basic Services provided (R'000)									
Water (5 kilolitres per household per month)	15								
Sanitation (free sanitation service)									
Electricity/other energy (50kwh per household per month)		710						710	
Refuse (removed once a week)		360						360	
Total cost of FBS provided (minimum social package)		1 070						1 070	
Highest level of free service provided									
Property rates (R'000 value threshold)									
Water (kilolitres per household per month)									
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)									
Electricity (kwh per household per month)									
Refuse (average litres per week)									
Revenue cost of free services provided (R'000)									
Property rates (R'15 000 threshold rebate)	17	3 500						3 500	
Property rates (other exemptions, reductions and rebates)									
Water									
Sanitation									
Electricity/other energy		710						710	
Refuse		360						360	
Municipal Housing - rental rebates									
Housing - top structure subsidies	6								
Other									
Total revenue cost of free services provided (total)		4 570						4 570	

PART 2 –SUPPORTING DOCUMENTATION

Adjustment to Capital Expenditure

Below is a table that highlights all the adjustments to the capital budget and its funding source.

Description	Funding	Original Budget (R'000)	Adjustment (R'000)	Adjusted Budget (R'000)
Joint Project Funding	Economic Development& Tou	-	2,384	2,384
Small Town Rehabilitation	COGTA	-	10,289	10,289
Nyoni Craft Centre	Economic Development& Tou	-	31	31
NDP Grant	NDPG	-	8,364	8,364
Total Adjusted		-	21,068	21,068



MANDENI MUNICIPALITY

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QUALITY CERTIFICATE ADJUSTMENT BUDGET 2013-2014

I, **Lulamile H.Mapholoba**....the Municipal Manager of **Mandeni Municipality KZN291**,
Hereby certify that:-

- 2013/2014 Adjustment Budget

and supporting documentation has been prepared in accordance with the
Municipal Finance Management Act and regulations under the Act.

Print nameL.H. Mapholoba

Municipal Manager of..... (Mandeni Municipality KZN291)

Signature 

Date 30 January 2014

EXECUTIVE COMMITTEE

Cllr SB Zulu(**Mayor**), Cllr PM Sishi (**Deputy Mayor**), BL Magwaza Cllr SB Zulu, Cllr S Ndlovu,
Cllr D MS Mdunge, Cllr MPP Zungu(**Speaker**) : **Ex Officio**, LH Mapholoba (**Acting Municipal Manager**)